

embedded network services

gold coast office and academy launch

altogether.

altogethergroup.com.au



welcome

1. welcome
2. [academy introduction](#)
3. state of the market
4. exemption guidelines update
5. surplus implications
6. ewoq
7. consultation

academy mission

To empower our clients, friends and colleagues through education, releasing their fear of the energy market and allowing them to take control of their energy future by having strong and informed energy conversations.



[Courses available in Queensland and New South Wales](#)

20th academy session milestone

centre of learning and excellence

academy topics so far

- what is an embedded network
- utility fund management
- electricity lifecycle
- electric vehicles in strata
- metering and other infrastructures in embedded networks
- updates to regulatory framework



20th academy session milestone

centre of learning and excellence

academy topics planned

- sustainability in strata
- resilience in the world of strata services
- creating your professional personal brand and boosting your strata confidence
- (NSW) building and developing with dual reticulated plumbing
 - *all suggestions and requests welcome*



state of the market

The energy market is going through some unprecedented change.

Recent media coverage and the AER release the Default Market Offer Determination for FY23 confirms our view that wholesale costs are also elevated due to a myriad of circumstances.



state of the market

- ❑ Extreme wet weather has impacted coal and gas generation output
- ❑ Unplanned generation outages are hurting supply
- ❑ The war in Ukraine (in addition to the unspeakable humanitarian impact), is driving up the underlying cost of fossil fuels.

Altogether are working on a number of initiatives to adjust to the current environment. Some of these factors are temporary in nature, but others are more unpredictable, especially war in Europe however we are well positioned to support our communities.



updated exemption conditions

ongoing advancements to the embedded network legislative framework have been introduced to provide consistent treatment for small market customers, by providing greater access to retail competition and increased consumer protections.



effective 1st june



[hardship policy](#)



[AER factsheet](#)



[EWOQ](#)



energy charges - clarification



[consultation](#)



body corporate opportunity

	exemption scheme		retailer network	
	body corporate	agent	body corporate	agent
embedded network owner	✓		✓	
incoming gate meter costs	✓			✓
regulated liabilities and penalties	✓			✓
ombudsman expenses	✓			✓
billing and service expenses		✓		✓
life support liabilities	✓			✓
hardship liabilities	✓			✓
payment processing		✓		✓
debt liabilities	✓			✓

body corporate act

- must not operate as a business
- must only recover operational cost

energy law

- must be eligible to be exempt
- criminal prosecution for false declarations
- penalties for non-compliance

privacy act

- energy data is sensitive
- customer data must be protected
- consent must be granted

what are the implications of a body corporate operating an EN and attracting surplus?

A Body Corporate cannot carry on a business

96 Body corporate must not carry on business

(1) A body corporate must not carry on a business.

Examples — A body corporate must not carry on business as — • a letting agent • a tour operator • a restaurant business • a real estate developer • a land trader.

(2) However, the body corporate may —

(a) engage in business activities to the extent necessary for properly carrying out its functions; and

(b) invest amounts not immediately required for its purposes in the way a trustee may invest trust funds.

Examples for subsection (2)(a) — 1 leasing part of the common property 2 selling body corporate assets no longer required for the scheme.

(Body Corporate and Community Management Act Qld 1997)

what are the implications of a body corporate operating an EN and attracting surplus?

Section 210 – Supply of Services by a Body Corporate

...

(2) The body corporate may, by agreement with a person for whom services are supplied, charge for the services, including for **the installation of**, and the **maintenance** and other **operating costs** associated with, utility infrastructure for the services, **but only to the extent necessary for reimbursing the body corporate for supplying the services.** Note — See also section 96 of the Act.

(3) In acting under subsections (1) and (2), the body corporate must, to the **greatest practicable extent**, ensure the **total cost** to the body corporate, **other than** body corporate **administrative costs** for supplying a service, including the cost of a commercial service, and the **cost of purchasing, operating, maintaining and replacing any equipment**, is recovered from the users of the service.

(Body Corporate and Community Management (Standard Module) Qld 2008)

what does this mean?

1. Bodies corporate must remember the key intent or purpose for providing bulk supply services to owners/occupiers, namely that buying in bulk will ultimately derive a monetary benefit for the owners/occupier within the Scheme.
2. While it is the body corporate's obligation to administer common property and body corporate assets for the benefit of the owners of lots in the Scheme, this must be balanced against a body corporate duty **not to** carry on a business.
3. **Reasonable** for the body corporate to be reimbursed the costs associated with **supply the service** e.g. operating costs, installation costs and the like. However, what is **not reasonable** is to charge owners/occupiers more simply because the body corporate would like to raise funds to pay for future improvements to the Scheme's infrastructure.
4. There must be a fine line between the costs associated with supply the service and the costs associated with enhancing the service.
5. This falls back to a similar argument of maintenance vs improvement.
6. It would be reasonable for the body corporate to recover maintenance costs associated with the supply of the service because without those costs it is unlikely the service can be rendered.
7. It may be unreasonable to recover improvement costs because those improvement costs do specifically relate to supply the service rather enhancing the service.
 - A. Such improvement costs should go to general meeting and be raised through the sinking fund rather than a service arrangement.

implications?

1. breach of the body corporate's duties under the Act and Module.
2. benefits derived should be received directly by the user of the service.
3. potential to be ordered to repay the surplus.
4. problematic with budgets and future levies.

the body corporate should be

1. getting advice on what costs directly relate to the 'supply of the service'.
2. assess the matters on a case -by-case basis.
3. undertake regular audits to ensure that the funds being collected are not creating a surplus.



Embedded Networks

9 June 2022



**Energy & Water
Ombudsman**
Queensland



Energy and Water Ombudsman Queensland acknowledge the Traditional Owners and their Custodianship of the lands, seas and waters of

We pay our respects to First Nations Elders past and present and their future leaders, who continue cultural and spiritual connections to Country.

We recognise and respect their valuable contributions to Australia and global society.



Agenda

- About EWOQ and what we do
- Embedded Networks: what's changed?
- EWOQ Scheme Participant application process
- Protections for customers of Exempt Sellers
- Exempt Seller obligations including complaint handling
- EWOQ's complaint resolution process
- Questions



About Us

- **Energy and Water Ombudsman Queensland (EWOQ)** provides fair and independent dispute resolution services relating to energy and water complaints.
- We provide our dispute resolution service to residential and small business customers across Queensland and water customers in Southeast Queensland who have a problem with their energy or water providers.



What we do

Resolving disputes between energy and water companies and their customers is our primary role.

We also:

- work with industry, government, regulators, consumer groups and other Ombudsman schemes to encourage improvements to prevent complaints
- promote our services
- report our complaint statistics on the types of complaints we have received and how many we have resolved
- identify and respond to systemic issues that arise from complaints to us.



What's changed?

From 28 February 2022:

- Exempt Sellers operating in Queensland became eligible to join EWOQ
- Our jurisdiction expanded to allow us to investigate complaints from some residential embedded network electricity customers.

This allowed Embedded Network owners and operators from a range of AER exemption classes to join our scheme.

It is a condition of registration with the AER that Exempt Sellers:

- become members of an Energy Ombudsman Scheme in each state where they sell energy to exempt customers, and
- to comply with the requirements of that scheme.



EWOQ application process

How to join

- Submit the **Scheme Participant Application form** on our website. A hard copy form can be mailed or emailed to Exempt Sellers on request.
- If a Body Corporate is legally named as an Exempt Seller then they must become a member of EWOQ, even if they have a third party (e.g. billing agent, strata manager or embedded network manager) acting on their behalf.
- A third party can submit the Application form online for the Exempt Seller, however, an Exempt Seller Authority to Act form signed by the Exempt Seller would also be required.



EWOQ application process

Outline of fees for Exempt Sellers:

- 2,000 or fewer electricity customer in Queensland – no annual membership fee at this time.
- More than 2,000 electricity customers in Queensland – \$5000 annual membership.
- Authorised Retailers who on-supply electricity in Embedded Networks – \$5000 per year for the first authorisation and \$10,000 per year for more than one authorisation.
- No case management fees at this time.



EWOQ application process

Becoming a member of EWOQ

- By becoming an EWOQ member we're ready to assist your customers if they contact us with a complaint.
- If we receive a customer complaint for an Exempt Seller not currently an EWOQ member, we will reach out to the Exempt Seller for membership.
- Once approved, Exempt Sellers receive a confirmation letter, access to our EWOQ Members Portal and will be listed on the EWOQ website.



Protections for customers of Exempt Sellers

Customer protections to note

- The *National Energy Retail Law (Queensland)* (NERL) states that exempt customers should receive the same standard of customer protections as retail customers.
- Conditions under AER (Retail) Exempt Selling Guideline
- Residential Exempt Seller customers can choose who they buy energy from, whether it be an Exempt Seller or an Authorised Energy Retailer.



Exempt Seller legal and regulatory obligations

Exempt Sellers should be aware of their legal and regulatory obligations, detailed in the:

- *Energy and Water Ombudsman Act 2006*
- Australian Energy Regulator (Retail) Exempt Selling Guideline
- Australian Energy Regulator Electricity Network Service Provider – Registration Exemption Guideline
- *National Energy Retail Law (Queensland)*



Exempt Seller complaint handling obligations

Exempt Sellers in Queensland are required by law to:

- tell customers who they can contact at the company if they have a complaint
- have a complaints handling procedure
- publish their procedure on their website (if there is one) and give customers a copy of the procedure if they ask for it.



Exempt Seller complaint handling obligations

Once Exempt Sellers have considered a customer's complaint, they must tell them:

- the outcome
- the reasons for the outcome; and
- that they can raise their complaint with EWOQ if they're not satisfied with the outcome.



EWOQ's complaint resolution process

When a customer contacts us we:

- See if they've given the energy or water provider a reasonable opportunity to resolve the matter. If they haven't we'll refer them back to their provider.
- Check if we can assist with their type of complaint. If it's out of our jurisdiction, we will refer them to the right place.

If the customer has attempted to resolve the matter with their energy or water provider without success, we will investigate.

Ombudsman

n. an independent official who helps consumers resolve problems, like a referee in a football match.



We can help with things like:

- **high bills and disputed accounts**
- **payment arrangements**
- **disconnections**
- **rebates and concessions**
- **default listings**
- **poor customer service**
- **misleading marketing practices**



Need more information?

- **EWOQ website -**
<https://www.ewoq.com.au/members/embedded-networks>
- **Scheme Participant Manual – available via EWOQ Member Portal**
- **Brochures**
 - **Embedded Networks Customer**
 - **Embedded Networks Exempt Seller**
 - **Information for Exempt Sellers**

Questions





Contact

Energy and Water Ombudsman Queensland

www.ewoq.com.au

1800 662 837 (select option 2 for Embedded Networks)

Fax: (07) 3087 9477

Office Locations

- Brisbane: Level 16/53 Albert Street Brisbane City QLD 4000
- Rockhampton: 2/209 Bolsover Street Rockhampton QLD 4700
- Cairns: 15 Lake Street Cairns City QLD 4870

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